



Department of Justice

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FORMER INSPECTORS OF NEW YORK DEFENSE CONTRACTOR PLEAD GUILTY TO ACCEPTING BRIBES ON DEPARTMENT OF DEFENSE CONTRACTS

WASHINGTON — Two former Department of Defense contractors who worked as inspectors at the U.S. Army installation at Ft. Hamilton in Brooklyn, N.Y., pleaded guilty for seeking and receiving bribes in connection with the award and performance of contracts to move and store military household goods, the Department of Justice announced today. Today's charges are the first to arise from an ongoing investigation into the moving and storage of military household goods between New York and New Jersey and other states or overseas military installations.

According to the charges filed today in the U.S. District Court in Brooklyn, N.Y., Darryl Jay Johnson and Henry Maldonado sought and received cash and valuables from companies doing business with the Ft. Hamilton Transportation Office from at least as early as September 2003 until at least September 2008. In exchange for those bribes, they were influenced in the award of contracts to those companies. The former inspectors have pleaded guilty to one count each of bribery.

The bribery charge carries a maximum sentence of 15 years in prison and a fine of \$250,000. The maximum fine may be increased to twice the gain derived from the crime, twice the loss suffered by the victims of the crime or three times the monetary equivalent of the valuables received, if any of those amounts is greater than the statutory maximum fine.

The investigation is being conducted by the Antitrust Division's National Criminal Enforcement Section and the Defense Criminal Investigative Service in Melville, N.Y.

Today's charges reflect the Department's commitment to protecting U.S. taxpayers from procurement fraud through its creation of the National Procurement Fraud Task Force. The National Procurement Fraud Initiative, announced in October 2006, is designed to promote the early detection, prosecution and prevention of procurement fraud associated with the increase in contracting activity for national security and other government programs.

Anyone with information concerning bid rigging or other anti-competitive conduct regarding Department of Defense contracts for the transportation and storage of military household goods is urged to call the National Criminal Enforcement Section of the Antitrust Division at 202-307-6694 or the New York Resident Agency of the Defense Criminal Investigative Service at 631-420-4307.

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